

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11**
:
LEHMAN BROTHERS HOLDINGS INC., et al., : **Case No. 08-13555 (JMP)**
:
Debtors. : **(Jointly Administered)**
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**STIPULATION, AGREEMENT AND ORDER BETWEEN LEHMAN BROTHERS
HOLDINGS INC. AND FIRST NATIONAL BANK REGARDING (1) TURNOVER
OF POST-PETITION DEPOSITS AND (2) RESERVATION OF RIGHTS**

This stipulation, agreement and order (the “Stipulation, Agreement and Order”) is entered into by and between Lehman Brothers Holdings Inc. (“LBHI”) and First National Bank, a division of FirstRand Bank Limited (collectively, “FirstRand”) by and through their respective counsel. LBHI and FirstRand are each referred to herein as a “Party,” and together, the “Parties” in this Stipulation, Agreement and Order.

RECITALS

A. On September 15, 2008 (the “Commencement Date”), LBHI commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York. LBHI is authorized to continue to operate its business and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

The General Deposit Account

B. Prior to the Commencement Date, LBHI established and maintained a general deposit account with FirstRand, located in Johannesburg, South Africa. The account is identified as No. 9015175 and is denominated in South African Rand (the “Account”).

C. Shortly after the Commencement Date, FirstRand placed an administrative freeze on the Account preventing LBHI from withdrawing any funds in the Account, but still allowing monies to be deposited and/or wired into the Account.

D. With the administrative freeze in place, FirstRand asserts that it exercised a setoff against the pre-petition funds in the Account in the amount of \$1,951,582.00 (the “Asserted Setoff of Pre-Petition Funds”).

The Motion

E. On January 22, 2010 [Docket No. 6740], LBHI filed the Debtors’ Motion Pursuant to Sections 105(a) and 362 of the Bankruptcy Code for an Order Enforcing the Automatic Stay Against and Compelling Payment of Post-Petition Funds by First National Bank (the “Motion”). By the Motion, LBHI sought the entry of an Order (i) enforcing the automatic stay and directing FirstRand to release the administrative freeze placed on all funds deposited and/or wired into the Account after the Commencement Date; and (ii) compelling FirstRand to pay LBHI all amounts deposited and/or wired into the Account after the Commencement Date. The Asserted Setoff of Pre-Petition Funds is not the subject of the Motion.

F. Given the burden and expense of litigation, the Parties commenced negotiations with regard to a potential resolution of the Motion and the return of amounts deposited and/or credited to the Account after the Commencement Date. Those negotiations have resulted in a compromise and settlement among the Parties, the terms of which are set forth below.

IT IS HEREBY STIPULATED, AGREED AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:

SETTLEMENT

1. The recitals set forth above are incorporated as if fully set forth herein.

2. Within five (5) business days of the Bankruptcy Court's approval of this Stipulation, Agreement and Order, FirstRand shall transfer to LBHI the current agreed upon post-petition balance in the Account, currently, ZAR 593,319.87, plus any additional post-petition deposits or transfers into the Account and all accrued interest thereon (collectively, the "Balance") in accordance with the following wire instructions:

ZAR (South African Rand)

Pay: Nedbank, Johannesburg
Swift NEDSZAJJ

For: US Bank, Minneapolis, MN
Swift USBKUS44FEX
a/c 1986250784

Attn STL FX

For further credit to: Lehman Brothers Holdings Inc a/c 152308786572

Reference: [Include your counterparty name and applicable trade identifier]

3. FirstRand further agrees that it will not take any action to restrict or prevent LBHI from withdrawing any future post-petition deposits, credits or accrued interest in the Account.

4. Upon LBHI's receipt of the Balance, LBHI shall withdraw the Motion on the Bankruptcy Court's docket.

5. FirstRand's asserted rights of setoff with respect to the Pre-Petition Funds (the "Asserted Setoff Rights") and LBHI's rights to contest, dispute, object to or otherwise challenge such Asserted Setoff Rights, including the Asserted Setoff of Pre-Petition Funds, in whole or in part, are fully preserved. Nothing in this Stipulation, Agreement and Order shall give any greater or lesser Asserted Setoff Rights to FirstRand (and LBHI shall have no greater or lesser rights to contest, dispute, object to or otherwise challenge such Asserted Setoff Rights).

6. LBHI's rights to contest, dispute, object or otherwise challenge the propriety of any debits or withdrawals made to the Account after the Commencement Date are fully preserved.

7. Each person who executes this Stipulation, Agreement and Order on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation, Agreement and Order on behalf of such Party.

8. This Stipulation, Agreement and Order may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

9. This Stipulation, Agreement and Order shall constitute the entire agreement and understanding of the Parties relating to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

10. This Stipulation, Agreement and Order may only be amended or otherwise modified by a signed writing executed by the Parties.

11. This Stipulation, Agreement and Order shall be interpreted, construed and enforced exclusively in accordance with the laws of the State of New York.

12. The terms of this Stipulation, Agreement and Order are subject to approval of the Bankruptcy Court and shall be of no force and effect unless and until it is approved.

13. This Stipulation, Agreement and Order shall be effective immediately upon its entry by the Bankruptcy Court.

14. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation, Agreement and Order.

Dated: New York, New York
March 16, 2010

/s/ Richard P. Krasnow
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Attorneys for the Debtors and
Debtors in Possession

Dated: New York, New York
March 16, 2010

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Attorneys for First National Bank, a division of
FirstRand Bank Limited

SO ORDERED:

Dated: New York, New York
March 22, 2010

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge